

CIA HISTORICAL REVIEW PROGRAM
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DISPATCH NO. HUL-A- 907

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~~PBSUCCESS/RYPAT~~
CLASSIFICATION

23 MAY 1954

DATE

TO PBSUCCESS, Headquarters

FROM LINCOLN

SUBJECT { GENERAL KUGOWN
SPECIFIC Article on conflict between Arbenz and Communist Party

REF: (A) HUL-A-600
(B) DIR 01823

1. In compliance with reference B, we are forwarding herewith the manuscript of an article, tentatively entitled "Jacobo Arbenz Guzmán - Kerensky of Central América!", intended for the purposes outlined in reference A, (specifically: paragraph 2-a) to be published in the news service mentioned in reference B.

2. Since we are not familiar with the news service in question, we have written this article, assuming that it is a bona fide Socialist, anti-Communist and moderately pro-Western publication. If we are wrong in this assumption (or if you find other details of the article impracticable for that outlet), please make the required changes. If the article should be too long, shorten its first part -- dealing with the economic and social situation -- rather than the second half, more specifically devoted to the point we want to make.

3. In reply to paragraph 2, reference B: Considering the time you need to get the article to the intended outlet and the additional time required before copies of the published article get back into the target area, we request that it be published with all practicable speed. At the same time, please arrange for maximum direct distribution at the point of origin -- in particular:

- a) Have copies sent to the Guatemalan legations in Paris, London and elsewhere in Europe and to the other Central American legations, newspaper correspondents etc. in Paris;
- b) Try to give it not only optimum publicity in newspapers etc. (which are presumably serviced by a news service, anyhow), but to get the article quoted over the radio, especially in French shortwave broadcasts aimed at Latin America;

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- c) Have copies airmailed directly to the editors of the Guatemalan newspapers -- list attached -- as well to any other Latin American publications which you may wish to add (if this cannot be arranged through the office of the publication itself, have it mailed from Paris in a form which at least implies that it comes from the publisher directly).

There may be additional possibilities of which we are not aware.

4. As soon as the article appears, inform us by cable, giving name and date of outlet as well as changes from our manuscript, preferably quoting key passages in French original. Have also a number of copies sent to us by fastest means available, to permit further exploitation within LINCOLN area.

5. In view of the present PBSUCCESS time table, the article should appear not later than Thursday, 3 June, at the very latest and cabled information, as requested in paragraph 4 above, ought to reach us not later than Saturday, 5 June, if not sooner.

[]
WILLIAM D. PLAYDON

[] Attachments

WDP/EFL/a

23 May 1954

Distribution:

3 - WASH. (w/att) ✓

3 - LINC (w/att)

~~SECRET~~
PBSUCCESS/RYPAT

Jacobo Arbenz Guzmán -- Kerensky of Central America!

From Guadalupe by []

By a Special Correspondent. []

(Security of Socialist in Guadalupe)
Martinique.

Let good author
to attribute article to
from antilles deck.
French Guiana, Martinique
or some other.

Note of Introduction. Seemed to
go to Guat to see at first
hand to see first hand
the best sit. He see if
anything useful might be
brought back as applied to
the Guadalupe situation.

NOTE OF INTRODUCTION. The highly controversial news coming from the Central American republic of Guatemala ever since it had been denounced as a "beachhead of international communism" at the Caracas Conference of the Organization of American States last March, has induced us to ask a veteran of the French labor movement whose official position enables him to travel extensively throughout the Americas, to give us a comprehensive picture of the situation in Guatemala. Our friend has obliged us with a very perspicacious analysis: the responsible office which he holds compels him to remain anonymous.

THE EDITOR.

The main trend of Guatemalan developments in the social and economic fields does not offer the impartial observer any reason for concern, on the contrary: he sees a little country with great potential, but still largely undeveloped wealth in crops and mineral resources which until ten years ago was ruled in semi-feudal style by a small clique of big landowners, largely foreigners, who exploited a mostly illiterate native population of indians and "ladinos" (people of mixed white-indian parentage). Now this little country is trying to catch up with the rest of the world: the power of the landlords is being curtailed, uncultivated land is being expropriated and distributed among the landless and poor peasants, labor unions have been set up and basic labor legislation has been introduced, highways and a new port are being built to

improve access to the interior of the mountainous, tropical country and to reduce its dependency upon foreign, especially U.S. capital which has controlled thus far the only railroad, the only port and most of the export crops (coffee, bananas) of Guatemala.

At first glance, a satisfactory and encouraging picture. Unfortunately, a closer survey causes some serious doubts: foreign capital is being discouraged (which is by itself, a sound enough move), but there is no domestic capital to replace it, nor are the resources of the government adequate to fill the gap which is being opened by the withdrawal of both foreign and domestic capital and by the virtual standstill of the once highly remunerative tourist traffic. The illiterate peasants seem to spend most of their added income in unreasonable buying sprees, instead of acquiring farm implement which would enable them to grow into an independent class of small landholders. The campaign to combat illiteracy makes only very slow and sluggish progress, far too little to give effective backing to the ambitious program of social and economic reforms which the government pursues.

Behind these grave shortcomings of the social-economic scene in Guatemala -- and far more serious than those mistakes which undoubtedly could be corrected without too much trouble -- is a virtually unique political situation. The country has been accused of being Moscow's stronghold in the Western Hemisphere, an accusation which was the main bone of contention at the conference of all American Governments which was held last March in Caracas, Venezuela and which has been renewed most recently, with added bitterness and urgency, in connection with that secret arms shipment from Poland.

Apologists for the regime of President Arbenz tell every visitor indignantly that all the stories about communist control are just malicious propaganda: there are only 4 communist deputies in parliament, none in the cabinet, the Communist Party (called "Party of the Workers of Guatemala", PGT) has at the most 1,500 to 2,000 members and all branches of government, including the Army -- untouched by partisan politics --

are determined to defend the democratic constitution of the country against any dictatorial attempts, either from the right or from the left. .

These apologies, however, are at best a dangerous half-truth. Actually, the situation in Guatemala -- as I come to see it after an extensive visit to the country and after lengthy talks with good many Guatemalans representing all shades of opinions and interests -- can be best understood in terms of Russia's experiences between February and October, 1917. The country is in a state of "double rule", with Arbenz and his non-communist ministers, officers and politicians cast in the role of Kerensky and the Provisional Government of Russia, while the communists have the equivalent of Lenin's "workers and soldiers councils" (soviets) and of Trotsky's "military organization of the Bolshevik Party".

The Communist Party in Guatemala controls organized labor through an iron grip upon the CGTG, the central federation of trade unions, headed by Politbureau member Gutiérrez; it controls the organized small landholders and farm workers through a similar organization (and dominates the Government Department of Agriculture, too); it controls the police through the person of the ambitious and unscrupulous police chief, Cruz Wer; it has penetrated Guatemala's diplomatic service to such an extent that it can use ambassadors and diplomatic couriers freely to foment strikes in neighboring countries (as recently in Honduras), to grant asylum to communists engaged in criminal acts (four of the men involved in the attempt to assassinate Dictator Somoza of Nicaragua were sheltered in the Guatemalan embassy) and to smuggle bales of communist propaganda into countries where the communist party is outlawed.

Most significant, the Communist Party controls President Arbenz himself: politically because he has no comparable independent organized force on which he could rely -- and conspiratorially, because at least two of the key men in the President's own executive office are dedicated Communist Party officials. Arbenz prides himself to be able to

"use" the Communists without having to depend upon them (remember how Kerensky prided himself of being able to use the Bolsheviks against Kornilov and other "dangers from the right"?).

As a matter of fact, Arbenz is considerably worse off than Kerensky: the latter could have relied on democratic Socialists (Mensheviks) and on the liberal bourgeois parties which had emerged during Russia's first revolution -- but the Guatemalan Communists have seen to it that the beginnings of a democratic Socialist Party, of free non-communist labor unions etc. have been quickly disposed of, so that Arbenz has no independent political force which he might use once he recognizes that he is in mortal peril from his Communist "friends". Furthermore, Arbenz, a former career army officer, understands very little, if anything, of the fine Machiavellian art of communist politics, knows practically nothing of international affairs and is therefore ~~an~~ easy game for Moscow's practiced and well trained agents.

1. My latest information/ from well-placed Guatemalan sources lead me to believe that the period of "double rule" (which, throughout history, has always been only a short phase of transition) will soon come to an end in Guatemala. Communist preparations for a full-fledged seizure of power are virtually completed: in addition to controlling the police, they have organized clandestine shock troops, Russian style, equipped with imported Soviet arms, and even managed to corrupt a few senior army officers. They can pull all the strings in the executive branch of government. On the other hand, the "cover" of a non-communist government has worn thin: the United States and most Latin American Governments are treating Guatemala already as if it were a Soviet State. Arbenz' usefulness is therefore expiring.

2. I was told that, in recent training courses for PGF officials, special attention has been paid to the chapter on double rule and how it ended, in Stalin's "Short History of the CPSU". Knowing how the Stalinists always prefer to adorn their coups with

ideological cloaks, this confirms what I have pointed out above. Arbenz has no chance to serve his full term as President (which would last until 1957): he ^{may} ~~has~~ not even ~~have~~ a chance to perform at the "Central American Youth Festival" which the Communists are preparing as an international victory celebration, to be held next September in Guatemala City.

The only remaining question is, how they will dispose of him: by invitation to take a health cure in Russia from which he would not return, by outright use of one of those murderous cigaret etuis which seems to be the latest "improvement" of MVD methods, or -- more charitably -- by putting him on a plane to some sufficiently remote exile? Historically, the exact disposal technique is of little interest: but the rapid maturing of a miniature Soviet Republic in Central America is undoubtedly a fact of the highest significance in today's world politics!
